

ECONOMIC DEVELOPMENT REVOLVING LOAN COMMITTEE

A meeting of the Economic Development Revolving Loan Committee was called to order on December 29, 2005 at 9:00 a.m. in the City Hall Conference Room by Chairman Kropp. Other members present included Fekete, Lowery, Ostermann, and Prange. Also present were John Hintz, Ed Newcomb, and Reno Vuillemot. A motion was made by Lowery, seconded by Fekete to approve the minutes of the December 2, 2005 meeting. Motion carried.

John Hintz updated the Committee on the Total Quality Components (TQC), Inc. business start-up and requested an additional \$50,000 for a total \$150,000 city loan. Mr. Hintz informed the Committee that Xcel Energy declined to participate for \$100,000. He noted that American Alliance Bank was willing to increase their commitment by \$50,000 to \$950,000 based on an additional \$50,000 being received from the city or another source. Mr. Hintz indicated that start-up was still anticipated late in the first quarter of 2006 if the final financing components are approved. At this point Mr. Hintz left the meeting and a motion was made by Fekete, seconded by Lowery to recommend City Council approval of a loan to TQC, Inc. increased from \$100,000 to \$150,000 under the same terms and conditions as the December 2, 2005 meeting with the removal of the Xcel Energy loan component and subject to all TRAC, Inc. outstanding tax warrants being satisfied, the exploration of an Xcel Energy guarantee of the additional \$50,000 in city financing, and the affirmation of the city's second position on the existing \$60,000 loan balance on the TRAC, Inc. facility at 1415 Indianhead Drive. Motion carried, 4 - ayes, 1 abstention.

Ed Newcomb and Reno Vuillemot made a presentation to the Committee regarding Translab, Inc.'s proposed acquisition of Quality Cup which is a packaging division of an Illinois company. The acquisition price is \$750,000 with Translab, Inc. requesting \$100,000 from the revolving fund. The representatives indicated that seven [7] jobs would be created immediately with a total of thirteen [13] anticipated. After some further discussion the representatives left the meeting with a motion being made by Fekete, seconded by Lowery to recommend City Council approval of a \$100,000 loan to Translab, Inc. at an interest rate 1% under prime [but no less than 4%], a seven year amortization with a five year balloon payment, collateralization by personal guarantees of the two principals, a general business security filing on all the business assets, the first payment due thirty days after disbursement of the funds by electronic fund transfer, with all of the city loan conditions subject to Citizens State Bank and the Wisconsin Department of Commerce approving the other financing components. Motion carried.

A motion was made by Fekete, seconded by Lowery to write-off the Bundy Investments, LLC outstanding loan balance due to an anticipated discharge of debts through bankruptcy court. Motion carried.

The city attorney and secretary were requested to follow up with Falcon Composites regarding their loan default and take the necessary actions to enforce the personal guarantees if necessary.

A motion was made by Lowery, seconded by Fekete to adjourn. Motion carried.

Respectfully submitted,

Lowell R. Prange
Recording Secretary

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